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REPORT

PLAQUEMINES PARISH SCHOOL BOARD

JUNE 30, 1999

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Release Date 1-26-2000

PLAQUEMINES PARISH SCHOOL BOARD

INDEX TO REPORT

JUNE 30, 1999

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT.....	1 - 2
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Combined Balance Sheet - All Fund Types and Account Groups.....	3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types.....	4 - 5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds.....	6 - 7
Notes to the Financial Statements.....	8 - 32
SUPPLEMENTAL INFORMATION SCHEDULES:	
SPECIAL REVENUE FUNDS:	
Combining Balance Sheet.....	33
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	34
DEBT SERVICE FUNDS:	
Combining Balance Sheet.....	35
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	36
CAPITAL PROJECTS FUNDS:	
Combining Balance Sheet.....	37
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	38

SUPPLEMENTAL INFORMATION SCHEDULES: (Continued)

AGENCY FUNDS - SCHOOL ACTIVITY FUNDS:

Combining Balance Sheet.....	39
Schedule of Changes in Funds Due Others.....	40 - 41
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS.....	42
YEAR 2000 ISSUE.....	43

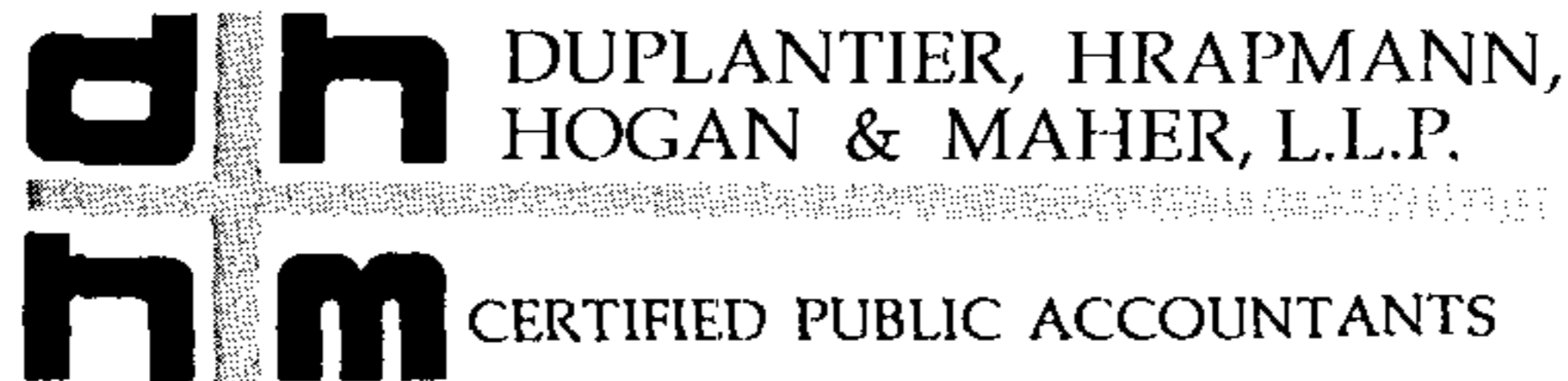
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....	44 - 45
---	---------

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.....	46 - 47
--	---------

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	48 - 50
---	---------

SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	51 - 52
--	---------

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS.....	53 - 54
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MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
DAVID A. BURGARD, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
DAVID J. MUMFREY, C.P.A.
GUY L. DUPLANTIER, C.P.A.
BONNIE J. McAFEE, C.P.A.

1340 Poydras St., Suite 2000 • New Orleans, LA 70112
(504) 586-8866
FAX (504) 525-5888
cpa@dhhmcpa.com

A.J. DUPLANTIER, JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

MICHELLE H. CUNNINGHAM, C.P.A.
KENNETH J. BROOKS, C.P.A., ASSOCIATE

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA. C.P.A.'S

INDEPENDENT AUDITOR'S REPORT

November 30, 1999

Plaquemines Parish School Board
P. O. Box 69
Belle Chasse, LA 70037

We have audited the accompanying general purpose financial statements of the Plaquemines Parish School Board as of June 30, 1999 and for the year then ended. These general purpose financial statements are the responsibility of the management of Plaquemines Parish School Board. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The school board took a physical inventory of its fixed assets as of June 30, 1999, but a number of assets were not included in the inventory. The effect on the financial statements is not reasonably determinable. Further, the notes to the financial statements do not include the additions and deletions of general fixed assets for the year ended June 30, 1999, which should be included to conform to generally accepted accounting principles.

In our opinion, except for the effects of not including all assets in the fixed asset inventory as discussed in the third paragraph above, and except for the omission of the additions and deletions of general fixed assets in the notes to the financial statements, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Plaquemines Parish School Board as of June 30, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the index to the report and the required schedule on Year 2000 are presented for the purpose of additional analysis and are not a part of the general purpose financial statements of the Plaquemines Parish School Board. The required supplemental schedule on the Year 2000 issue has not been subjected to procedures applied in the audit of the general purpose financial statements and accordingly, we express no opinion on it; however, the supplemental information schedules listed in the index have been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, are fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 1999 on our consideration of the Plaquemines Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Duplante, Hapman, Hogan & Mader LLP

PLAQUEMINES PARISH SCHOOL BOARD
ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
JUNE 30, 1999

	GOVERNMENT FUNDS						FIDUCIARY			ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	SCHOOL ACTIVITY	GENERAL ASSETS	LONG TERM OBLIGATION	GENERAL		TOTAL			
								FIXED	ASSETS				
ASSETS AND OTHER DEBITS													
ASSETS:													
Cash (Note 13)	\$ 155,394	\$ 897,600	\$ 642,635	\$ 332,286	\$ 369,458	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,397,373	
Cash equivalents (Note 13)	5,016,891	--	603,124	63,804	--	--	--	--	--	--	--	5,683,819	
Investments (Note 13)	--	--	1,207,428	11,822	--	--	--	--	--	--	--	1,219,250	
Prepaid insurance	214,114	--	--	--	--	--	--	--	--	--	--	214,114	
Accounts receivable (Note 4)	1,559,277	599,404	189,070	--	--	--	--	--	--	--	--	2,347,751	
Interfund receivables (Notes 1 and 8)	910,034	--	--	--	--	--	--	--	--	--	--	910,034	
Accrued interest receivable	--	--	22,268	--	--	--	--	--	--	--	--	22,268	
Advances to Special Revenue Funds (Notes 1 and 8)	135,700	--	--	--	--	--	--	--	--	--	--	135,700	
Inventory (Note 1)	--	60,366	--	--	--	--	--	--	--	--	--	60,366	
Land, buildings and improvements (Notes 1 and 14)	--	--	--	--	--	9,646,804	--	--	--	--	--	9,646,804	
Construction in progress	--	--	--	--	--	3,912,861	--	--	--	--	--	3,912,861	
Equipment (Notes 1 and 14)	--	--	--	--	--	7,254,086	--	--	--	--	--	7,254,086	
Vehicles (Notes 1 and 14)	--	--	--	--	--	3,851,087	--	--	--	--	--	3,851,087	
OTHER DEBITS:													
Amount available for Debt Service	--	--	--	--	--	--	2,664,525	--	--	--	--	2,664,525	
Amount to be provided for retirement of General Long-Term Debt	--	--	--	--	--	--	--	12,545,475	--	--	--	12,545,475	
Amount to be provided for capital leases payable	--	--	--	--	--	--	--	--	272,330	--	--	272,330	
Amount to be provided for compensated absences payable	--	--	--	--	--	--	--	--	1,788,832	--	--	1,788,832	
TOTAL ASSETS AND OTHER DEBITS	\$ 7,991,410	\$ 1,557,370	\$ 2,664,525	\$ 407,912	\$ 369,458	\$ 24,664,838	\$ 17,271,162	\$ --	\$ 17,271,162	\$ 54,926,675	\$ --	\$ 54,926,675	

PLAQUEMINES PARISH SCHOOL BOARD
 ALL GOVERNMENTAL FUND TYPES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1999

	GENERAL FUND	SPECIAL REVENUE
REVENUES: (NOTE 1)		
Local Sources:		
Ad valorem taxes (Note 3)	\$ 5,359,934	\$ --
1% collection by Sheriff on taxes other than school taxes	239,112	--
Sales taxes (Note 16)	9,729,288	--
Special appropriation from Parish Government/General Fund	354,995	--
Tuition - summer school/driver's education	48,511	--
Interest earnings	273,981	3,495
Rent lease - 16th Section and other school lands	296,825	--
Food service income	--	345,950
Community service income	20,000	--
Apartment rents	74,008	--
Contributions and donations	10,200	161
Other	70,562	3,058
Revenue for/on behalf of LEA	22,853	--
Restricted Funds:		
State sources	531,242	287,242
Federal sources - through State	123,796	2,849,137
Federal sources - commodities	--	105,037
Federal sources - direct	--	364,091
Unrestricted Funds:		
State sources	10,137,095	259,152
Federal sources - through State	8,298	--
Federal sources - direct	44,160	16,468
Revenue sharing	102,063	--
Total revenues	<u>27,446,923</u>	<u>4,233,791</u>
EXPENDITURES: (Note 1)		
Instruction:		
Regular programs	12,987,635	--
Special programs	3,246,956	1,585,132
Vocational education	34,753	50,611
Adult education	--	54,679
Other instructional programs	276,903	321,685
Support Service Programs:		
Pupil support	1,001,323	59,445
Instructional staff support	872,548	359,553
General administration	1,285,248	2,834
School administration	1,591,091	--
Business services	441,984	--
Operations and maintenance	3,474,918	3,904
Student transportation	2,501,050	11,397
Central services	416,481	--

	GOVERNMENTAL FUNDS						FIDUCIARY			ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL	DEBT	CAPITAL	SCHOOL	GENERAL	LONG	GENERAL	FIXED	TERM		
	FUND	REVENUE	SERVICE	PROJECTS	ACTIVITY	ASSETS	OBLIGATION	ASSETS	OBLIGATION	OBLIGATION		
LIABILITIES AND FUND EQUITY												
LIABILITIES:												
Accounts payable (Note 7)	\$ 78,595	\$ 2,155	\$ --	\$ 72,999	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 153,749	
Cash overdraft	89,938	126,171	--	--	--	--	--	--	--	--	216,109	
Salaries/deductions payable (Note 7)	3,052,059	--	--	--	--	--	--	--	--	--	3,052,059	
Interfund payables (Notes 1 and 8)	--	910,034	--	--	--	--	--	--	--	--	910,034	
Advances from General Fund (Notes 1 and 8)	--	135,700	--	--	--	--	--	--	--	--	135,700	
Due other - School Activity (Notes 7 and 10)	--	--	--	--	369,458	--	--	--	--	--	369,458	
Bonds payable (Notes 7 and 11)	--	--	--	--	--	--	15,210,000	--	--	--	15,210,000	
Capital leases payable (Notes 7, 9 and 11)	--	--	--	--	--	--	272,330	--	--	--	272,330	
Compensated absences payable												
(Notes 1, 7, 11 and 15)	--	--	--	--	--	--	1,788,832	--	--	--	1,788,832	
Total liabilities	<u>3,220,592</u>	<u>1,174,060</u>	<u>--</u>	<u>72,999</u>	<u>369,458</u>	<u>--</u>	<u>17,271,162</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>22,108,271</u>	
FUND EQUITY: (Note 1)												
Investments in fixed assets	--	--	--	--	--	--	24,664,838	--	--	--	24,664,838	
Fund balances:												
Reserved for Scholarships (Note 12)	31,477	--	--	--	--	--	--	--	--	--	31,477	
Reserved for Apartment Maintenance (Note 12)	67,599	--	--	--	--	--	--	--	--	--	67,599	
Reserved for Construction (Note 12)	--	--	--	157,837	--	--	--	--	--	--	157,837	
Reserved for Debt Service (Note 12)	--	--	2,664,525	--	--	--	--	--	--	--	2,664,525	
Designated for Construction (Note 12)	--	--	--	177,076	--	--	--	--	--	--	177,076	
Designated for Capital Improvements (Note 12)	2,489,700	--	--	--	--	--	--	--	--	--	2,489,700	
Designated for Insurance Deductibles (Note 12)	2,182,042	--	--	--	--	--	--	--	--	--	2,182,042	
Unreserved fund balance	--	383,310	--	--	--	--	--	--	--	--	383,310	
Total fund equity	<u>4,770,818</u>	<u>383,310</u>	<u>2,664,525</u>	<u>334,913</u>	<u>--</u>	<u>--</u>	<u>24,664,838</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>32,818,404</u>	
TOTAL LIABILITIES AND FUND EQUITY	<u>\$7,991,410</u>	<u>\$1,557,370</u>	<u>\$2,664,525</u>	<u>\$ 407,912</u>	<u>\$369,458</u>	<u>\$24,664,838</u>	<u>\$17,271,162</u>	<u>\$ 54,926,675</u>				

See accompanying notes.

PLAQUEMINES PARISH SCHOOL BOARD
ALL GOVERNMENTAL FUND TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1999

EXPENDITURES: (Note 1) (Continued)	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>
Food Service Program	\$ 281,447	\$ 1,629,654
Community Service Program	14,049	--
Capital outlay	25,466	--
Debt Service:		
Principal retirement	114,154	--
Interest payment	20,533	--
Miscellaneous:		
Bank, legal fees and other	--	--
Other - insurance claims, scholarship	30,513	--
Total expenditures	<u>28,617,052</u>	<u>4,078,894</u>
Excess (deficiency) of revenues over expenditures	<u>(1,170,129)</u>	<u>154,897</u>
OTHER FINANCING SOURCES (USES): (Note 1)		
Transfers of indirect cost	66,266	(66,266)
Operating transfers in	--	8,610
Sale of fixed assets	86,123	--
Gain (loss) on investments	1,950	--
Operating transfers out	(30,094)	--
Miscellaneous	--	7
Total other financing sources (uses)	<u>124,245</u>	<u>(57,649)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(1,045,884)</u>	<u>97,248</u>
FUND BALANCES - BEGINNING OF YEAR	<u>5,816,702</u>	<u>286,062</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,770,818</u>	<u>\$ 383,310</u>

See accompanying notes.

<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
\$ 1,073,654	\$ --	\$ 6,433,588
--	--	239,112
1,314,900	--	11,044,188
--	--	354,995
--	--	48,511
111,083	76,134	464,693
--	--	296,825
--	--	345,950
--	--	20,000
--	--	74,008
--	--	10,361
--	--	73,620
--	--	22,853
--	--	818,484
--	--	2,972,933
--	--	105,037
--	--	364,091
--	--	10,396,247
--	--	8,298
--	--	60,628
--	--	102,063
<u>2,499,637</u>	<u>76,134</u>	<u>34,256,485</u>
--	--	12,987,635
--	--	4,832,088
--	--	85,364
--	--	54,679
--	--	598,588
--	--	1,060,768
--	--	1,232,101
--	--	1,288,082
--	--	1,591,091
--	--	441,984
--	--	3,478,822
--	--	2,512,447
--	--	416,481

DEBT SERVICE	CAPITAL PROJECTS	TOTAL (MEMORANDUM ONLY)
\$ --	\$ --	\$ 1,911,101
--	--	14,049
--	2,533,708	2,559,174
1,460,000	--	1,574,154
747,996	--	768,529
10,986	--	10,986
--	--	30,513
<u>2,218,982</u>	<u>2,533,708</u>	<u>37,448,636</u>
<u>280,655</u>	<u>(2,457,574)</u>	<u>(3,192,151)</u>
--	--	--
24,795	411,221	444,626
--	--	86,123
(16,433)	(296)	(14,779)
(383,311)	(31,221)	(444,626)
--	--	7
<u>(374,949)</u>	<u>379,704</u>	<u>71,351</u>
<u>(94,294)</u>	\$ <u>(2,077,870)</u>	\$ <u>(3,120,800)</u>
<u>2,758,819</u>	<u>2,412,783</u>	<u>11,274,366</u>
\$ <u>2,664,525</u>	\$ <u>334,913</u>	\$ <u>8,153,566</u>

PLAQUEMINES PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1999

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES: (NOTE 1)			
Local Sources:			
Ad valorem taxes	\$ 5,470,000	\$ 5,359,934	\$ (110,066)
1% collection by Sheriff on taxes other than school taxes	220,000	239,112	19,112
Sales taxes	9,900,000	9,729,288	(170,712)
Special appropriation from Parish Government/General Fund	219,280	354,995	135,715
Tuition - summer school/driver's education	61,881	48,511	(13,370)
Interest earnings	140,000	273,981	133,981
Rent lease - 16th Section and other school lands	2,000	296,825	294,825
Food service income	--	--	--
Community service income	20,000	20,000	--
Apartment rents	6,000	74,008	68,008
Contributions and donations	2,000	10,200	8,200
Other	72,000	70,562	(1,438)
Revenue for/on behalf of LEA	20,710	22,853	2,143
Restricted Funds:			
State sources	689,077	531,242	(157,835)
Federal sources - through State	--	123,796	123,796
Federal sources - commodities	--	--	--
Federal sources - direct	--	--	--
Unrestricted Funds:			
State sources	10,137,095	10,137,095	--
Federal sources - through State	4,000	8,298	4,298
Federal sources - direct	60,000	44,160	(15,840)
Revenue sharing	100,000	102,063	2,063
Total revenues	<u>27,124,043</u>	<u>27,446,923</u>	<u>322,880</u>
EXPENDITURES: (Note 1)			
Instruction:			
Regular programs	13,086,967	12,987,635	99,332
Special programs	3,258,229	3,246,956	11,273
Vocational education	35,000	34,753	247
Adult education	--	--	--
Other instructional programs	308,651	276,903	31,748

SPECIAL REVENUE FUND			
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
\$	\$	\$	
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
3,300	3,495	195	
--	--	--	--
305,000	345,950	40,950	
--	--	--	--
--	--	--	--
75	161	86	
2,500	3,058	558	
--	--	--	--
253,891	287,242	33,351	
2,967,821	2,849,137	(118,684)	
105,000	105,037	37	
451,091	364,091	(87,000)	
259,152	259,152	--	
--	--	--	--
16,000	16,468	468	
--	--	--	--
<u>4,363,830</u>	<u>4,233,791</u>	<u>(130,039)</u>	
--	--	--	--
1,762,985	1,585,132	177,853	
50,619	50,611	8	
52,917	54,679	(1,762)	
292,269	321,685	(29,416)	

PLAQUEMINES PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1999

EXPENDITURES: (Note 1) (Continued)	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Support Service Programs:			
Pupil support	\$ 1,040,195	\$ 1,001,323	\$ 38,872
Instructional staff support	940,186	872,548	67,638
General administration	1,334,242	1,285,248	48,994
School administration	1,592,285	1,591,091	1,194
Business services	449,326	441,984	7,342
Operations and maintenance	2,849,340	3,474,918	(625,578)
Student transportation	2,514,852	2,501,050	13,802
Central services	430,988	416,481	14,507
Food Service Program	296,300	281,447	14,853
Community Service Program	13,900	14,049	(149)
Capital outlay	25,500	25,466	34
Debt Service:			
Principal retirement	--	114,154	(114,154)
Interest payment	--	20,533	(20,533)
Miscellaneous:			
Bank, legal fees and other	--	--	--
Other - insurance claims, scholarship	--	30,513	(30,513)
Total expenditures	<u>28,175,961</u>	<u>28,617,052</u>	<u>(441,091)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,051,918)</u>	<u>(1,170,129)</u>	<u>(118,211)</u>
OTHER FINANCING SOURCES (USES): (Note 1)			
Transfers of indirect costs	60,000	66,266	6,266
Operating transfers in	--	--	--
Sale of fixed assets	2,464	86,123	83,659
Gain on investments	21,740	1,950	(19,790)
Operating transfers out	(2,333,405)	(30,094)	2,303,311
Miscellaneous	--	--	--
Total other financing sources (uses)	<u>(2,249,201)</u>	<u>124,245</u>	<u>2,373,446</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(3,301,119)</u>	<u>(1,045,884)</u>	<u>2,255,235</u>
Fund balances - beginning of year	<u>5,816,702</u>	<u>5,816,702</u>	<u>--</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,515,583</u>	<u>\$ 4,770,818</u>	<u>\$ 2,255,235</u>

See accompanying notes.

<u>SPECIAL REVENUE FUND</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 58,159	\$ 59,445	\$ (1,286)
418,768	359,553	59,215
2,701	2,834	(133)
--	--	--
--	--	--
5,117	3,904	1,213
6,193	11,397	(5,204)
--	--	--
1,635,134	1,629,654	5,480
--	--	--
--	--	--
--	--	--
--	--	--
<u>4,284,862</u>	<u>4,078,894</u>	<u>205,968</u>
<u>78,968</u>	<u>154,897</u>	<u>75,929</u>
(72,760)	(66,266)	(6,494)
8,610	8,610	--
--	--	--
--	--	--
--	--	--
--	7	7
<u>(64,150)</u>	<u>(57,649)</u>	<u>6,501</u>
14,818	97,248	82,430
<u>286,062</u>	<u>286,062</u>	<u>--</u>
<u>\$ 300,880</u>	<u>\$ 383,310</u>	<u>\$ 82,430</u>

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

INTRODUCTION

The Plaquemines Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Plaquemines Parish. The school board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The school board is comprised of nine members who are elected from nine districts for terms of four years.

The school board operates eight schools within the parish with a total enrollment of 4,957 pupils for 1999. In conjunction with the regular educational programs, some of these schools offer head start, special education and/or adult education programs. In addition, the school board provides transportation and school food services for the students.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

REPORTING ENTITY:

As the governing authority of the parish, for reporting purposes, the Plaquemines Parish Government is the financial reporting entity for Plaquemines Parish. The financial reporting entity consists of the (a) primary government, (parish government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the financial reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria are:

1. Appointing a voting majority of an organization's governing body, and
 - a. the ability of the parish government to impose its will on that organization and/or
 - b. the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but which are fiscally dependent on the parish government.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

REPORTING ENTITY: (Continued)

For the following reasons, the Plaquemines Parish School Board is not considered to be a component unit of the Plaquemines Parish Government, the reporting entity:

1. The Plaquemines Parish Government does not have the ability to appoint a voting majority of the school board's governing body or impose its will on the school board.
2. The school board is not fiscally dependent on the parish government.
3. The relationship between the school board and the Plaquemines Parish Government is not significant and therefore the parish government's financial statements are not misleading because of the exclusion of the school board's financial information.

The accompanying financial statements present information only on the funds maintained by the school board and do not present information on the parish government, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

BASIS OF PRESENTATION:

The accompanying financial statements of the Plaquemines Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The school board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid in financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the school board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

GOVERNMENTAL FUNDS:

Governmental funds account for the majority of the school board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund:

The general operating fund of the school board accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally designated to finance particular functions or activities of the school board.

Debt Service Funds:

Debt service funds are established to meet requirements of bond ordinances and to account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group.

Capital Project Funds:

Capital project funds account for financial resources received and used for the acquisition, construction, or improvement of major capital facilities not reported in the other governmental funds.

FIDUCIARY FUNDS:

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the school board. Fiduciary funds include:

School Activity Agency Fund:

The School Activity Agency Fund accounts for assets held by the school board as an agent for the individual schools and school organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

ACCOUNT GROUPS:

General Fixed Assets Account Group:

This account group is established to account for the fixed assets of the school board.

General Long-term Debt Account Group:

This account group is established to account for all long-term obligations of the school board.

BASIS OF ACCOUNTING:

Governmental Funds:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues:

Revenues are recognized when they become measurable and available.

Federal and state entitlements are recorded as unrestricted grants-in-aid when available and measurable.

Federal and state grants are recorded when the reimbursable expenditures have been incurred.

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Sales and use taxes are recorded in the month collected by the school board's collecting agent, the Plaquemines Parish Government.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BASIS OF ACCOUNTING: (Continued)

Revenues: (Continued)

Income on deposits, cash equivalents and investments is recorded when measurable and available.

Revenues from rentals, leases and royalties are recorded when earned.

Substantially all other revenues are recorded when received.

Expenditures:

Salaries are recorded as expenditures when earned. Nine-month employees' salaries are earned over a nine-month period but are paid over a twelve-month period.

Purchases of various operating supplies are recorded as expenditures in the accounting period purchased.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death. The cost of leave privilege expenditures not requiring current resources is recorded in the general long-term debt account group.

Commitments under construction contracts are recognized as expenditures when earned by the contractors.

Principal and interest on general long-term debt are recognized when due.

Substantially all other expenditures are generally recognized when the related fund liability is incurred.

Other Financing Sources (Uses):

Proceeds from lease-purchases, bond issuances, compensation for loss or damage to fixed assets, gain (loss) on investments, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These financing sources (uses) are recognized at the time the underlying events occur.

PLAQUEMINES PARISH SCHOOL BOARD
 NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BUDGETS:

The following summarizes the budget activities of the school board for the year ended June 30, 1999:

	<u>1998-99 Budget Year</u>
Completed & Available for Public Inspection	July 6, 1998
Public Notices	July 10, 17 & 24, 1998
Public Hearings	July 27, 1998
Board Adoption	August 3, 1998

The school board adopted annual budgets for the General Fund and all Special Revenue Funds. All funds for which a budget was adopted are included in these financial statements.

The budget is prepared on the modified accrual basis of accounting. All appropriations lapse at year end. Encumbrances are recognized within the accounting records for budgetary control purposes. Formal budget integration (within the accounting records) is employed as a management control device. The Superintendent of Schools is authorized to transfer amounts between line items within any fund. However, when actual revenues within a fund fail to meet budgeted revenues by 5% or more and/or actual expenditures within a fund exceed budgeted expenditures by 5% or more, a budget revision is adopted by the school board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent revisions.

ENCUMBRANCES:

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Project Funds. Encumbrances outstanding at the end of the fiscal year are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

INTERFUND RECEIVABLES/PAYABLES:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables and short-term interfund loans are classified as interfund receivables/payables.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

ADVANCES TO OTHER FUNDS:

Non-current portions of long-term interfund loan receivables and payables are reported as advances.

INVENTORIES:

Inventory of the School Lunch Fund consists of commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received and as expenses when consumed. Commodities are assigned values based on information provided by the United States Department of Agriculture.

Food purchased by the school board is expensed at the time of purchase

FIXED ASSETS:

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased, constructed or donated, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost, estimated cost, or fair value if donated.

COMPENSATED ABSENCES:

The school board has two types of compensated absences which accumulate or vest as follows:

Vacation and Sick Leave:

Under the terms of state law and school board policy, teachers and other nine-month employees accrue 10 days of sick leave each school year, which can be accumulated without limitation. Upon retirement or death prior to retirement, unused accumulated sick leave of up to 25 days is paid to the employee or the employee's beneficiary at the employee's current rate of pay. Upon retirement, sick leave is used in the retirement benefit computation as earned service. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers' Retirement System, all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service. Under reduction in force, a laid-off employee may choose to be paid for his accumulated sick leave.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

COMPENSATED ABSENCES: (Continued)

Vacation and Sick Leave: (Continued)

All 12-month employees accrue from 5 to 20 days vacation leave each year depending on length of service with the school board. Vacation leave can be accumulated up to 50 days. Upon termination, retirement, or death prior to retirement, unused accumulated vacation is paid at the employee's current rate of pay. In addition, these employees accrue from 10 to 18 days of sick leave each year depending on length of service with the school board. Unused accumulated sick leave for 12-month employees is paid in the manner described above for teachers and nine-month employees.

Sabbatical Leave:

Any employee with a teaching certificate is entitled, subject to approval by the school board, to one semester of sabbatical leave after three years of continuous service, or two semesters of sabbatical leave after six years of continuous service. Leave may be granted for rest and recuperation, and professional and cultural improvement.

The cost of leave privileges are recorded as an expenditure of the period in which paid. The cost of leave privileges not requiring current resources is recorded in the general long-term debt account group.

FUND EQUITY:

Reserves:

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated Fund Balances:

Designated fund balances represent tentative plans for future use of financial resources.

INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

INTERFUND TRANSACTIONS: (Continued)

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as operating transfers.

SALES AND USE TAXES:

The school board levies one percent sales and use tax with receipts deposited in the General Fund. The school board levies an additional one percent sales and use tax with receipts deposited to the Sales Tax Sinking Fund. The proceeds of this tax are dedicated and used for any lawful school purpose, including payments of salaries and fringe benefits, building operations and maintenance, and instructional programs, with any excess transferred to the General Fund. The tax is collected by the Sales Tax Department of the Plaquemines Parish Government.

TOTAL COLUMNS ON COMBINED STATEMENTS:

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS:

Improving America's Schools Act (IASA) Funds:

IASA Title I:

This is a program for economically and educationally deprived school children which is federally financed, state-administered and locally operated by the school board. The services are provided through various projects which are designated to meet the special needs of educationally deprived children. The activities supplement rather than replace state and local mandated activities. Program funds are obtained from Federal grants through the State Department of Education.

IASA Title I Migrant Education:

The IASA Title I Migrant Education Funds are used to provide additional instruction in reading and math to identified students through an individualized instruction program. The IASA Title I Migrant Education Recruiter Program is used to enlist the cooperation of school systems in the multi-parish recruiting area, identify migrant children, establish contacts with migrant families, and assist in planning educational, health and social services for migrant children. Program funds are obtained from Federal grants through the State Department of Education.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS: (Continued)

Improving America's Schools Act (IASA) Funds: (Continued)

IASA Title II:

The program funds are used to promote professional growth leading to improving certification in math and science.

IASA Title VI:

This is a program by which the Federal government provides funds to the school board for audio-visual materials, equipment, and library resources.

Drug-Free Schools Program:

This program will establish and implement drug abuse education and prevention programs, and will enforce drug-related rules and regulations of student conduct in the schools.

Title XIX:

This program is to improve the health status of eligible children by assuring the provision of preventive services, health assessment, and the necessary diagnosis, treatment and follow-up care in the context of an ongoing relationship between the patient and other health care givers.

Head Start Program:

This is a federally funded educational, social and health program for economically disadvantaged three to four-year old children.

Food Service Fund:

The Food Service Fund (Lunch/Breakfast) is a program that provides nourishing meals for students in all grades. This program is supplemented by both Federal and State funds that are based on reimbursement and participation.

Adult Education:

The Adult Basic Education Fund accounts for Federal and State grants received through the State Department of Education.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS: (Continued)

Adult Education: (Continued)

The Adult Education Program offers a basic and remedial academic curriculum to individuals at least 16 years of age or emancipated minors who have not obtained a high school diploma. The curriculum offered is intended to prepare the student for the high school equivalency examination. Students successfully completing the examination are awarded the High School Equivalency Examination Diploma.

Vocational Education:

Students in grades 9 through 12 have the opportunity to participate in vocational education through the State and federally funded programs. Courses in home economics, industrial arts, and business education offer training in job entry skills. Several co-op programs offer practical experiences in the job market.

Special Education Fund:

The Special Education Fund is a State and federally financed program of free education in the least restricted environment to children with exceptionalities.

Family Act:

This federally-funded grant is for a preventative partnership for violence-free Plaquemines Parish.

Technology Literacy Challenge:

This grant provides funds to state education agencies on a formula basis to support the development and implementation of systemic technology plans at the state, local, and school levels to improve the teaching and learning of all children.

Classroom-Based Technology:

This is a state-funded program to help local school districts purchase computers and network hardware to connect classrooms to the Internet.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS: (Continued)

School to Work:

The Regional Council on School to Work (STW), an initiative of the Metrovision Economic Development Partnership, involves a broad coalition of representatives from business, labor, education, and government. It serves as a catalyst to create an effective STW system in Greater New Orleans and the River Region that better prepares students for careers and life-long learning. It connects school-based learning to the workplace through structured internship in local businesses.

Learn Program:

This federally-funded program is to fund local planning and implementation projects, which emphasize student impact/academic results through high local curricular and assessment standards.

Technical Preparation:

This federally-funded program is for the development and administration of Technical Preparation activities.

LEAP Summer School Pilot:

This state-funded grant provides summer school for those students who scored at the "unsatisfactory" achievement level on the new criterion-referenced test, LEAP for the 21st Century, taken in spring 1999.

FUND DESCRIPTIONS - DEBT SERVICE FUNDS:

General Obligation Bond Fund:

The General Obligation Bond Fund accounts for the proceeds of property taxes (3.0 mill ad valorem taxes) that are dedicated for debt service.

Certificate Of Indebtedness Fund:

The Certificate of Indebtedness Fund accounts for the annual debt service requirement on the certificates. Scheduled transfers from the excess revenues of the General Fund are required to be made into this fund in an amount that will equal one-sixth of the interest falling due on the next interest payment date and one-twelfth of the principal falling due on the next principal payment date.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - DEBT SERVICE FUNDS: (Continued)

Certificate Of Indebtedness Reserve Fund:

The Certificate of Indebtedness Reserve Fund accounts for that portion of the transfers from the General Fund that are set aside as a reserve to pay principal and interest on the certificates payable from the Certificate of Indebtedness Fund for which there would otherwise be a default. The maximum amount required to be accumulated in this fund at June 30, 1999 is \$74,900.

Sales Tax Bond Fund:

The Sales Tax Bond Fund accounts for the proceeds of a one percent sales and use tax levied and collected by the collecting agency.

Sales Tax Reserve Fund:

The Sales Tax Reserve Fund accounts for the establishment of a reserve in the amount of \$1,100,000, or the highest combined principal and interest requirements for any succeeding bond year, ending March 1, which equaled \$1,121,998 as of June 30, 1999.

FUND DESCRIPTIONS - CAPITAL PROJECTS FUNDS:

1992 Sales Tax Construction Fund:

The Plaquemines Parish School Board issued \$11,000,000 of Sales Tax School Bonds, Series 1992, for the purpose of making capital improvements to the public school system of the Parish (including, but not limited to constructing, acquiring, erecting, improving, and repairing schools and school related facilities), payable solely from and secured by an irrevocable pledge and dedication of the avails or proceeds of the special one percent sales and use tax. On March 2, 1998, the school board adopted a resolution to refinance \$7,220,000 of the Series 1992 Bonds and authorized the issuance of \$8,115,000 of its Sales Tax Refunding Bonds, Series, 1998.

1993 General Obligation Fund:

This fund accounts for the issuance of \$5,700,000 of General Obligation School Bonds, Series 1993. The purpose of the issuance is for acquiring and/or improving lands for building sites and playgrounds, including construction of necessary sidewalks and streets adjacent thereto; purchasing, erecting and/or improving school buildings and other school related facilities within and for the District and acquiring the necessary equipment and furnishings therefore, payable from unlimited ad valorem taxation.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - CAPITAL PROJECTS FUNDS: (Continued)

1998 Sales Tax Construction Fund:

The school board authorized the issuance of \$1,800,000 of Sales Tax Bonds, Series 1998B pursuant to a resolution adopted on April 20, 1998 for the purpose of making capital improvements to the public school system of Plaquemines Parish.

2. FUND DEFICITS:

There are no deficits in any individual funds at June 30, 1999.

3. LEVIED TAXES:

Property taxes are levied each November 1st on assessed value listed as of the prior January 1st for all real property, merchandise and movable property located in the parish. Taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Assessed values are established by the Plaquemines Parish Assessor's Office and the State Tax Commission of actual value as specified by Louisiana Law. Property taxes are recorded as revenue by the school board in the year the taxes are received. A portion of exempt taxes due to homestead exemptions relating to constitutional special school taxes are reimbursed to the school board through state revenue sharing.

As required by the State of Louisiana Statute, prescribed deductions are made from the school board's property tax receipts for contributions to cover costs of various pension funds. For the year ended June 30, 1999, \$195,756 had been deducted from property tax receipts for amounts due to various pension funds.

The following is a summary of parish wide authorized and levied ad valorem taxes for the fiscal year ended June 30, 1999:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Constitutional	5.68	5.80
Proposition I	3.50	2.60
Proposition II	2.35	2.40
Proposition III	4.68	4.78

The difference between authorized and levied millages is the result of reassessments of the tax rolls required by Article 7, Section 23 of the Louisiana Constitution of 1974.

PLAQUEMINES PARISH SCHOOL BOARD
 NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

4. ACCOUNTS RECEIVABLE:

The accounts receivable of \$2,347,751 at June 30, 1999 are as follows:

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL</u>
TAXES:				
Sales	\$1,386,854	\$ --	\$186,281	\$1,573,135
Ad-Valorem	13,926	--	2,789	16,715
GRANTS:				
State	36,836	296,016	--	332,852
Federal - received through the State	--	303,388	--	303,388
OTHERS	<u>121,661</u>	<u>--</u>	<u>--</u>	<u>121,661</u>
 TOTALS	 <u>\$1,559,277</u>	 <u>\$599,404</u>	 <u>\$189,070</u>	 <u>\$2,347,751</u>

5. EMPLOYEE RETIREMENT SYSTEMS:

Substantially all employees of the school board are members of two statewide retirement systems, both of which are cost-sharing multiple-employer public employee retirement systems (PERS). In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); and other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service.

Under LSERS, employees are eligible to retire after attaining age 60 and 10 years of accredited service, age 55 and 25 years of accredited service, or any age with 30 years of accredited service. The retirement benefit will be paid monthly based on 2.5% of average final compensation times the years of creditable service (including creditable unused sick and annual leave), plus an additional .5% of average final compensation times the years of creditable service in excess of 20 years, plus two dollars per month for each year of creditable service supplemental benefit, not to exceed average final compensation. The plan also includes disability retirement benefits.

The formula for annual maximum retirement benefits under TRS is 2 or 2.5% (Regular Plan) or 1 or 3% (Plan A) of final average salary for each year of credited service. Final average salary is based upon the member's highest successive thirty-six months of salary. Benefits are paid monthly for life.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

5. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

Benefits of the system are funded by employee and employer contributions. The contribution rates (as a percentage of covered salaries) are established by state law as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana School Employees' Retirement System	6.35%	6.00%
Louisiana Teachers' Retirement System - Regular	8.00%	16.50%
Louisiana Teachers' Retirement System - Plan A	9.10%	16.40%

The school board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the school board. For the year ended June 30, 1999, \$239,112 was remitted to the TRS by the Plaquemines Parish Sheriff for the school board from ad valorem tax and revenue sharing deductions. For the LSERS, the school board's employer contribution is funded by the State of Louisiana through annual appropriations. Benefits granted by the retirement system are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974.

The school board's required contributions to the system and the percentage contributed are as follows:

	<u>Required Contribution</u>	<u>Percent Contributed</u>
<u>Louisiana School Employees' Retirement System:</u>		
<u>Year Ended</u>		
June 30, 1999	\$ 139,701	100.14%
June 30, 1998	134,423	99.94
June 30, 1997	127,865	99.29
 <u>Louisiana Teachers' Retirement System:</u>		
<u>Regular:</u>		
<u>Year Ended</u>		
June 30, 1999	\$2,718,766	99.96%
June 30, 1998	2,530,198	99.96
June 30, 1997	2,389,639	101.58

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

5. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

Louisiana Teachers' Retirement System:

<u>Plan A:</u>	<u>Year Ended</u>		
	June 30, 1999	\$ 40,728	100.00%
	June 30, 1998	42,588	100.00
	June 30, 1997	40,668	100.00

Both systems issue publicly available financial reports that include financial statements and required supplementary information for each system. The LSERS report may be obtained by writing to the system at P.O. Box 44516, Baton Rouge, Louisiana 70804-4516. The TRS report may be obtained by writing to the system at P.O. Box 94123, Baton Rouge, Louisiana 70804-9123.

6. OTHER POST-EMPLOYMENT BENEFITS:

The Plaquemines Parish School Board provides certain continuing health care and life insurance benefits for its retired employees as required by state law. Substantially all of the school board's employees become eligible for these benefits if they reach normal retirement age while working for the school board. These benefits for retirees and similar benefits for active employees are provided through an insurance company, whose monthly premiums are paid jointly by the employee and by the school board. The school board recognizes the cost of providing these benefits (the board's portion of premiums) as an expenditure when the monthly premiums are paid. For the year ended June 30, 1999, the school board's portion of the premiums was \$180,909 for 136 retirees.

7. ACCOUNTS, SALARIES/DEDUCTIONS AND OTHER PAYABLES:

The payables of \$3,575,266 at June 30, 1999 are as follows:

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>SCHOOL ACTIVITY FUND</u>	<u>TOTAL</u>
Salaries/ deductions	\$3,052,059	\$ --	\$ --	\$ --	\$3,052,059
Accounts payable	78,595	2,155	72,999	--	153,749
Due to others	--	--	--	369,458	369,458
TOTAL	<u>\$3,130,654</u>	<u>\$2,155</u>	<u>\$72,999</u>	<u>\$369,458</u>	<u>\$3,575,266</u>

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

8. INTERFUND PAYABLES/RECEIVABLES AND ADVANCES:

Individual balances due from/to other funds at June 30, 1999 are as follows:

	<u>DUE TO</u>	<u>DUE FROM</u>
General Fund	\$910,034	\$ --
Special Revenue Fund:		
Adult Education	--	19,406
Drug-Free	--	7,476
Food Service	--	175,172
LEAP Program	--	26,351
School to Work	--	8,366
Special Education	--	109,013
Title I	--	558,884
Title II	--	5,308
Vocational Education	--	58
TOTAL	<u>\$910,034</u>	<u>\$910,034</u>

Individual balances of advances to/from other funds at June 30, 1999 are as follows:

	<u>ADVANCES TO</u>	<u>ADVANCES FROM</u>
General Fund	\$ --	\$135,700
Special Revenue Funds:		
Adult Education	10,800	--
Drug-Free	7,000	--
Migrant	5,000	--
School to Work	5,000	--
Special Education	10,000	--
Title I	15,000	--
Title II	5,000	--
Title VI	12,900	--
Vocational Education	<u>65,000</u>	--
TOTAL	<u>\$135,700</u>	<u>\$135,700</u>

9. LEASES:

Capital:

The school board has recorded capital leases for office equipment and related expenses as assets, expenses and obligations in the accompanying financial statements. For the year ended June 30, 1999, principal in the amount of \$114,154 was paid on capital leases. For the year ended June 30, 1999, interest in the amount of \$20,533 was paid on capital leases. The school board's policy is to expense lease payments in the year paid. The following is a schedule of future minimum lease payments under capital lease agreements as of June 30, 1999:

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

9. LEASES: (Continued)Capital: (Continued)

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
06-30-00	\$214,651
06-30-01	64,975
06-30-02	<u>14,945</u>
Total minimum lease payment	294,571
Less: Amount representing interest	<u>(22,241)</u>
Present value of net minimum lease payment	<u>\$272,330</u>

The gross amount of assets recorded in the general fixed assets account group under capital leases is \$797,689 at June 30, 1999.

10. CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS:

A summary of changes in agency fund deposits due others follows:

	<u>BALANCE AT BEGINNING OF YEAR</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE AT END OF YEAR</u>
School Activity Accounts	\$359,742	\$1,521,264	\$1,511,548	\$369,458

11. GENERAL LONG-TERM OBLIGATIONS:

The following is a summary of the long-term obligation transactions for the year ended June 30, 1999:

	<u>BONDED DEBT</u>	<u>CERTIFICATE OF INDEBTEDNESS</u>	<u>CAPITAL LEASES</u>	<u>COMPENSATED ABSENCES</u>	<u>TOTAL</u>
Balance 7/01/98	\$16,535,000	\$135,000	\$386,484	\$1,626,191	\$18,682,675
Additions	--	--	--	162,641	162,641
Deductions	<u>(1,395,000)</u>	<u>(65,000)</u>	<u>(114,154)</u>	--	<u>(1,574,154)</u>
BALANCE 6/30/99	<u>\$15,140,000</u>	<u>\$ 70,000</u>	<u>\$272,330</u>	<u>\$1,788,832</u>	<u>\$17,271,162</u>

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

11. GENERAL LONG-TERM OBLIGATIONS: (Continued)

Capital Leases:

Capital leases represent obligations that are to be financed with future General Fund resources.

Compensated Absences:

Compensated absences payable consist of the portion of accumulated sick leave of the governmental funds that is not expected to require current resources. The additions for 1999 represent the net changes during the year. The records are maintained in such a manner that the additions and deletions could not readily be determined; therefore, the net changes are reflected as additions in 1999.

Bonds and Certificates:

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 1999, the school board had accumulated \$2,664,525 in the debt service funds for future debt requirements.

On March 1, 1998, the school board issued Series 1998 Sales Tax Bonds to advance refund Series 1992 Sales Tax Bonds with a par value of \$7,220,000. The net proceeds from the issuance of the Series 1998 Sales Tax Bonds and existing Sinking Fund monies were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the Series 1992 bonds mature. The advance refunding met the requirements of an insubstance debt defeasance and those defeased bonds were removed from the school board's General Long-Term Debt Account Group. At June 30, 1999, \$7,220,000 of the defeased debt was still outstanding.

The following is a schedule of the outstanding bonds and certificates of indebtedness of the school board as of June 30, 1999:

	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>INTEREST RATE</u>	<u>MATURITIES</u>
Certificate of Indebtedness, Series 1989	11-01-89	\$ 500,000	6.50 - 10.00%	11-01-1990/1999
General Obligation School Bonds, Series 1992	05-01-92	2,300,000	6.00 - 10.00	03-01-1993/2002
Sales Tax School Bonds, Series 1993	05-01-92	11,000,000	6.10 - 10.00	03-01-1993/2002
General Obligation Bonds, Series 1993	03-01-93	5,700,000	4.70 - 4.80	03-01-1995/2003

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

11. GENERAL LONG-TERM OBLIGATIONS: (Continued)

Bonds and Certificates: (Continued)

	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>INTEREST RATE</u>	<u>MATURITIES</u>
Sales Tax School Bonds, Series 1998	03-01-98	8,115,000	3.65 - 4.65	03-01-1999/2012
Sales Tax School Bonds, Series 1998B	04-01-98	1,800,000	4.45 - 7.00	03-01-1999/2018

The annual requirements to amortize principal and interest on bonds and certificates outstanding at June 30, 1999 are as follows:

<u>YEAR ENDING JUNE 30</u>	<u>PRINCIPAL PAYMENTS</u>	<u>INTEREST PAYMENTS</u>	<u>TOTAL</u>
2000	\$ 1,560,000	\$ 729,638	\$ 2,289,638
2001	1,585,000	646,653	2,231,653
2002	1,685,000	560,378	2,245,378
2003	1,780,000	468,040	2,248,040
2004	730,000	385,932	1,115,932
2005-2018	<u>7,870,000</u>	<u>1,933,574</u>	<u>9,803,574</u>
	<u>\$15,210,000</u>	<u>\$4,724,215</u>	<u>\$19,934,215</u>

12. RESERVED AND DESIGNATED FUND BALANCES:

Designated for Capital Improvements:

The School Board passed a resolution on April 8, 1998 to establish a Capital Improvement Fund for building/facility construction and improvements. Deposits will be made of revenues from 16th section lands, any unexpected excess settlement funds as designated by the board, and ending General Fund Balance in excess of 5% of the following year's proposed budget. The balance of this account at June 30, 1999 is \$2,489,700.

Designated for Insurance Deductibles:

The settlement of back sales and use taxes, certain refunds of insurance premiums, and a portion of the special appropriation from the parish government have been designated to fund the deductible amount on insurance policies. At June 30, 1999, the balance of this account is \$2,182,042.

PLAQUEMINES PARISH SCHOOL BOARD
 NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

12. RESERVED AND DESIGNATED FUND BALANCES: (Continued)

Designated for Construction:

Monies received through the sale of the 1984, 1992 and 1993 General Obligation Bonds and the 1992 Sales Tax Construction Bonds are designated for construction and improvement of schools and school related facilities. At June 30, 1999, the amount designated for construction is \$177,076.

Reserved for Debt Service:

Monies are reserved in the Debt Service Fund to pay the principal and interest maturing in future years on bonded debts and certificates of indebtedness. At June 30, 1999, the balance of the reserve is \$2,664,525.

Reserved for Construction:

Monies are reserved in the Capital Projects Fund for building construction, major repairs and renovations, and construction of additional classrooms throughout the school district. At June 30, 1999, the balance of the reserve is \$157,837.

Reserved for Apartment Maintenance:

Monies received for rent are reserved in the General Fund for repairs and maintenance on apartments owned by the school board. At June 30, 1999, the balance of the reserve is \$67,599.

Reserved for Scholarship:

Monies donated by various organizations are reserved for scholarships to qualified students of the Plaquemines Parish Schools. At June 30, 1999 the balance of the reserve is \$31,477.

13. CASH, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the school board's cash, cash equivalents and investments at June 30, 1999:

Cash	\$2,181,264
Cash equivalents	5,683,819
Investments	<u>1,219,250</u>
	<u>\$9,084,333</u>

PLAQUEMINES PARISH SCHOOL BOARD
 NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

13. CASH, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Cash:

The school board's bank deposits were entirely covered by federal depository insurance and pledged securities held at the Federal Reserve Bank in the name of the school board. As of June 30, 1999, the bank balances of the deposits totaled \$2,869,507.

Cash Equivalents:

The school board considers all highly-liquid debt instruments with a maturity of one year or less to be cash equivalents. The school board's cash equivalents include money market demand deposit accounts held with financial institutions, certificates of deposit, treasury bills, and government money market funds. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a non-profit corporation formed by an Initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. All cash equivalents are stated at cost.

Money market demand accounts were entirely covered by federal depository insurance and pledged securities held at the Federal Reserve Bank in the name of the school board. As of June 30, 1999 bank balances of money market demand accounts were \$703,116.

AMOUNT

\$ 708,672

Certificates of deposit were entirely covered by federal depository insurance and pledged securities held at the Federal Reserve Bank in the name of the school board.

4,145,000

Cash equivalents of government money market funds consist of short-term government securities. The funds are held by a sub-custodian, managed and held in the name of the school board's broker-dealer.

50,387

Cash equivalents of government money market funds consist of government securities and repurchase agreements which are held in pooled funds. The funds are held and managed by LAMP. As of June 30, 1999, the balance consists of \$779,760.

779,760

TOTAL CASH EQUIVALENTS

\$5,683,819

PLAQUEMINES PARISH SCHOOL BOARD
 NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

13. CASH, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Investments:

Statutes authorize the school board to invest in direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies, provided such obligations are backed by the full faith and credit of the United States of America; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by U.S. Government instrumentalities, which are federally sponsored; mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States or its agencies; and certain guaranteed investment contracts.

The school board's investments are described below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the school board or its agent in the school board's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the school board's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the school board's name.

The school board's investments are carried at fair value and consist of notes and mortgages of the U.S. Government, federal agencies and U.S. Government instrumentalities. The investments are held by the Federal Reserve Bank in the name of the school board's broker-dealer. The investments are managed by the school board's broker-dealer but are restricted by the bond indenture. The following is a schedule of investments by investment type:

	<u>Carrying Amount</u>
U.S. Treasury Notes	\$1,207,428
Federal Home Loan Mortgage Corporation	<u>11,822</u>
	<u>\$1,219,250</u>

Market values are furnished by the school board's investment custodian.

14. FIXED ASSETS:

Detailed accounting records for the general fixed assets used in governmental fund type operations do not permit the presentation of changes in general fixed assets for the year ended June 30, 1999.

PLAQUEMINES PARISH SCHOOL BOARD
 NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

15. COMPENSATED ABSENCES:

At June 30, 1999, employees of the school board have accumulated and vested \$1,788,832 of employee leave benefits which is reported in the general long-term debt account group.

16. ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

17. SELF INSURANCE:

The school board is self-insured for workman's compensation in the amount of \$225,000 per accident. The excess is insured under an insurance policy. The fund is administered by an independent insurance service company.

The estimated claims liability is computed based on information received from the administrator of the plan. The following represents a reconciliation of total claims liability:

Claims liability at June 30, 1998	\$ 30,928
Less: Claims paid during the year	(110,343)
Plus: Claims incurred	<u>127,599</u>
Claims liability at June 30, 1999	<u>\$ 48,184</u>

The claims liability at June 30, 1999 is presented at current value and has not been discounted.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

PLAQUEMINES PARISH SCHOOL BOARD
SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	TITLE 1	MIGRANT EDUCATION	TITLE II	TITLE VI	DRUG- FREE	TITLE XIX	HEAD START	FOOD SERVICE	ADULT EDUCATION
ASSETS:									
Cash	\$ 277,572	\$ 5,000	\$ --	\$ 12,687	\$ 2,752	\$ --	\$ --	\$ 474,036	\$ --
Accounts receivable	296,312	--	19,212	213	11,724	--	--	--	32,380
Inventory	--	--	--	--	--	--	--	60,366	--
TOTAL ASSETS	\$ 573,884	\$ 5,000	\$ 19,212	\$ 12,900	\$ 14,476	\$ --	\$ --	\$ 534,402	\$ 32,380
LIABILITIES:									
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,155	\$ --
Cash overdraft	--	--	8,904	--	--	--	--	--	2,174
Interfund payables	558,884	--	5,308	--	7,476	--	--	175,172	19,406
Advances from General Fund	15,000	5,000	5,000	12,900	7,000	--	--	--	10,800
Total liabilities	573,884	5,000	19,212	12,900	14,476	--	--	177,327	32,380
FUND EQUITY:									
Unreserved fund balance	--	--	--	--	--	--	--	357,075	--
TOTAL LIABILITIES AND FUND EQUITY	\$ 573,884	\$ 5,000	\$ 19,212	\$ 12,900	\$ 14,476	\$ --	\$ --	\$ 534,402	\$ 32,380

VOCATIONAL EDUCATION	SPECIAL EDUCATION	FAMILY ACT	CLASSROOM- BASED TECHNOLOGY	LEARNING PROGRAM	TECHNOLOGY LITERACY CHALLENGE	TECHNOLOGY PREPARATION	SCHOOL TO WORK	LEAP PROGRAM	TOTAL
\$ 63,819	\$ 61,734	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 897,600
1,239	83,514	--	112,281	--	--	--	16,178	26,351	599,404
--	--	--	--	--	--	--	--	--	60,366
<u>\$ 65,058</u>	<u>\$ 145,248</u>	<u>\$ --</u>	<u>\$ 112,281</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 16,178</u>	<u>\$ 26,351</u>	<u>\$ 1,557,370</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,155
--	--	--	112,281	--	--	--	2,812	--	126,171
58	109,013	--	--	--	--	--	8,366	26,351	910,034
65,000	10,000	--	--	--	--	--	5,000	--	135,700
<u>65,058</u>	<u>119,013</u>	<u>--</u>	<u>112,281</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>16,178</u>	<u>26,351</u>	<u>1,174,060</u>
--	26,235	--	--	--	--	--	--	--	383,310
<u>\$ 65,058</u>	<u>\$ 145,248</u>	<u>\$ --</u>	<u>\$ 112,281</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 16,178</u>	<u>\$ 26,351</u>	<u>\$ 1,557,370</u>

PLAQUEMINES PARISH SCHOOL BOARD
 SUPPLEMENTARY INFORMATION
 SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1999

	TITLE I	MIGRANT EDUCATION	TITLE II	TITLE VI	DRUG- FREE	TITLE XIX	HEAD START	FOOD SERVICE	ADULT EDUCATION
REVENUES:									
Local sources:									
Interest earnings	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 108	\$ --	\$ 3,386	\$ --
Contributions and donations	--	--	--	--	--	--	--	--	--
Food service income	--	--	--	--	--	--	--	345,950	--
Other	--	--	--	--	--	--	--	3,058	--
Restricted Funds:									
State sources	--	--	--	--	--	--	--	--	38,555
Federal sources - through State	1,110,714	35,601	32,551	32,227	34,424	--	--	992,375	19,446
Federal sources - commodities	--	--	--	--	--	--	--	105,037	--
Federal sources - direct	--	--	--	--	--	--	364,091	--	--
Unrestricted Funds:									
State sources	--	--	--	--	--	--	--	259,152	--
Federal sources-direct	--	--	--	--	--	--	--	--	--
Total revenues	<u>1,110,714</u>	<u>35,601</u>	<u>32,551</u>	<u>32,227</u>	<u>34,424</u>	<u>108</u>	<u>364,091</u>	<u>1,708,958</u>	<u>58,001</u>
EXPENDITURES:									
Instruction:									
Regular programs	--	--	--	--	--	--	--	--	--
Special programs	958,357	30,853	31,787	32,227	9,194	--	188,209	--	--
Vocational education	--	--	--	--	--	--	--	--	--
Other instructional programs	2,034	--	--	--	--	--	--	--	--
Adult education	--	--	--	--	--	--	--	--	54,679
Support Service Programs:									
Pupil support	--	--	--	--	--	108	29,381	--	--
Instructional staff support	97,719	3,013	--	--	25,199	--	145,419	--	2,379
General administration	755	24	--	--	31	--	209	--	32
Operations and maintenance	3,031	--	--	--	--	--	873	--	--
Student transportation	--	--	--	--	--	--	--	--	--
Food service program	--	--	--	--	--	--	--	1,629,654	--
Total expenditures	<u>1,061,896</u>	<u>33,890</u>	<u>31,787</u>	<u>32,227</u>	<u>34,424</u>	<u>108</u>	<u>364,091</u>	<u>1,629,654</u>	<u>57,090</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>48,818</u>	<u>1,711</u>	<u>764</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>79,304</u>	<u>911</u>
OTHER FINANCING SOURCES (USES):									
Operating transfers in	--	--	--	--	--	--	--	--	--
Indirect costs	(48,818)	(1,711)	(764)	--	--	--	--	--	(911)
Miscellaneous	--	--	--	--	--	--	--	--	--
Total other financing sources (uses)	<u>(48,818)</u>	<u>(1,711)</u>	<u>(764)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(911)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>79,304</u>	<u>--</u>
Fund balance - beginning of year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>277,771</u>	<u>--</u>
FUND BALANCE - END OF YEAR	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 357,075</u>	<u>\$ --</u>

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the payment of interest and principal on all general obligation debt and sales tax school bonds.

PLAQUEMINES PARISH SCHOOL BOARD
 SUPPLEMENTARY INFORMATION
 DEBT SERVICE FUND
 COMBINING BALANCE SHEET
 JUNE 30, 1999

	GENERAL OBLIGATION BOND FUND	CERTIFICATE OF INDEBTEDNESS FUND	CERTIFICATE OF INDEBTEDNESS RESERVE FUND	SALES TAX BOND FUND	SALES TAX RESERVE FUND	TOTAL
ASSETS:						
Cash	\$ 87,073	\$ 4,462	\$ --	\$ 549,678	\$ 1,422	\$ 642,635
Cash equivalents	525,114	--	74,900	--	3,110	603,124
Investments	--	--	--	--	1,207,428	1,207,428
Accounts receivable	2,789	--	--	186,281	--	189,070
Accrued interest receivable	--	--	--	--	22,268	22,268
TOTAL ASSETS	<u>\$ 614,976</u>	<u>\$ 4,462</u>	<u>\$ 74,900</u>	<u>\$ 735,959</u>	<u>\$ 1,234,228</u>	<u>\$ 2,664,525</u>
FUND EQUITY:						
Reserved for Debt Service	<u>\$ 614,976</u>	<u>\$ 4,462</u>	<u>\$ 74,900</u>	<u>\$ 735,959</u>	<u>\$ 1,234,228</u>	<u>\$ 2,664,525</u>
TOTAL FUND EQUITY	<u>\$ 614,976</u>	<u>\$ 4,462</u>	<u>\$ 74,900</u>	<u>\$ 735,959</u>	<u>\$ 1,234,228</u>	<u>\$ 2,664,525</u>

PLAQUEMINES PARISH SCHOOL BOARD
 SUPPLEMENTARY INFORMATION
 DEBT SERVICE FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1999

	GENERAL OBLIGATION BOND FUND	CERTIFICATE OF INDEBTEDNESS FUND	CERTIFICATE OF INDEBTEDNESS RESERVE FUND	SALES TAX BOND FUND	SALES TAX RESERVE FUND	TOTAL
REVENUES						
Local Sources:						
Ad valorem taxes	\$ 1,073,654	\$ --	\$ --	\$ --	\$ --	\$ 1,073,654
Sales taxes	--	--	--	1,314,900	--	1,314,900
Interest earnings	23,870	314	3,311	6,519	77,069	111,083
Total revenues	<u>1,097,524</u>	<u>314</u>	<u>3,311</u>	<u>1,321,419</u>	<u>77,069</u>	<u>2,499,637</u>
EXPENDITURES						
Debt Service:						
Principal retirement	840,000	65,000	--	555,000	--	1,460,000
Interest payment	242,528	11,835	--	493,633	--	747,996
Miscellaneous:						
Bank, legal fees and other charges	2,093	--	--	8,893	--	10,986
Total expenditures	<u>1,084,621</u>	<u>76,835</u>	<u>--</u>	<u>1,057,526</u>	<u>--</u>	<u>2,218,982</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>12,903</u>	<u>(76,521)</u>	<u>3,311</u>	<u>263,893</u>	<u>77,069</u>	<u>280,655</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in	--	24,795	--	--	--	24,795
Operating transfers out	--	--	(3,311)	--	(380,000)	(383,311)
Gain loss on investments	--	--	--	--	(16,433)	(16,433)
Total other financing sources (uses)	<u>--</u>	<u>24,795</u>	<u>(3,311)</u>	<u>--</u>	<u>(396,433)</u>	<u>(374,949)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ 12,903</u>	<u>\$ (51,726)</u>	<u>\$ --</u>	<u>\$ 263,893</u>	<u>\$ (319,364)</u>	<u>\$ (94,294)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>602,073</u>	<u>56,188</u>	<u>74,900</u>	<u>472,066</u>	<u>1,553,592</u>	<u>2,758,819</u>
FUND BALANCE - END OF YEAR	<u>\$ 614,976</u>	<u>\$ 4,462</u>	<u>\$ 74,900</u>	<u>\$ 735,959</u>	<u>\$ 1,234,228</u>	<u>\$ 2,664,525</u>

CAPITAL PROJECTS FUNDS

The Capital Projects Funds accounts for all resources used for the acquisition and/or construction of capital facilities of the School Board.

PLAQUEMINES PARISH SCHOOL BOARD
 SUPPLEMENTARY INFORMATION
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
JUNE 30, 1999

	1992 SALES TAX CONSTRUCTION FUND	1993 GENERAL OBLIGATION CONSTRUCTION FUND	1998 SALES TAX CONSTRUCTION FUND	TOTAL
ASSETS:				
Cash	\$ 309,799	\$ --	\$ 22,487	\$ 332,286
Cash equivalents	63,804	--	--	63,804
Investments	<u>11,822</u>	<u>--</u>	<u>--</u>	<u>11,822</u>
TOTAL ASSETS	<u>\$ 385,425</u>	<u>\$ --</u>	<u>\$ 22,487</u>	<u>\$ 407,912</u>
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts payable	\$ <u>72,999</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>72,999</u>
Total liabilities	<u>72,999</u>	<u>--</u>	<u>--</u>	<u>72,999</u>
Fund Equity:				
Reserved for construction	135,350	--	22,487	157,837
Designated for construction	<u>177,076</u>	<u>--</u>	<u>--</u>	<u>177,076</u>
Total fund equity	<u>312,426</u>	<u>--</u>	<u>22,487</u>	<u>334,913</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 385,425</u>	<u>\$ --</u>	<u>\$ 22,487</u>	<u>\$ 407,912</u>

PLAQUEMINES PARISH SCHOOL BOARD
 SUPPLEMENTARY INFORMATION
 CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1999

	1992 SALES TAX CONSTRUCTION FUND	1993 GENERAL OBLIGATION CONSTRUCTION FUND	1998 SALES TAX CONSTRUCTION FUND	TOTAL
REVENUES:				
Local Sources:				
Interest earnings	\$ 20,059	\$ 2,225	\$ 53,850	\$ 76,134
Total revenues	<u>20,059</u>	<u>2,225</u>	<u>53,850</u>	<u>76,134</u>
EXPENDITURES:				
Capital outlay:				
Equipment	4,150	15,071	--	19,221
Building repairs/maintenance	226,236	33,298	--	259,534
Architect/engineers	23,454	--	78,862	102,316
Other	271	--	4,202	4,473
Facility acquisition and construction	422,774	--	1,725,390	2,148,164
Total expenditures	<u>676,885</u>	<u>48,369</u>	<u>1,808,454</u>	<u>2,533,708</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(656,826)</u>	<u>(46,144)</u>	<u>(1,754,604)</u>	<u>(2,457,574)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	411,221	--	--	411,221
Operating transfers out	--	(31,221)	--	(31,221)
Gain (loss) on investments	(318)	22	--	(296)
Total other financing sources (uses)	<u>410,903</u>	<u>(31,199)</u>	<u>--</u>	<u>379,704</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(245,923)	(77,343)	(1,754,604)	(2,077,870)
FUND BALANCE - BEGINNING OF YEAR	<u>558,349</u>	<u>77,343</u>	<u>1,777,091</u>	<u>2,412,783</u>
FUND BALANCE - END OF YEAR	<u>\$ 312,426</u>	<u>\$ --</u>	<u>\$ 22,487</u>	<u>\$ 334,913</u>

AGENCY FUNDS - SCHOOL ACTIVITY FUNDS

School Activity Funds are used to account for monies held for individual schools or their student bodies. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. Agency Funds are accounted for in essentially the same manner as Governmental Funds.

PLAQUEMINES PARISH SCHOOL BOARD
SUPPLEMENTARY INFORMATION
SCHOOL ACTIVITY AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

ASSETS

Cash and Cash Equivalents	<u>\$369,458</u>
TOTAL ASSETS	<u>\$369,458</u>

LIABILITIES AND FUND EQUITY

LIABILITIES:	
Due to Others - School Activity	<u>\$369,458</u>
Total liabilities	369,458
FUND EQUITY	<u> --</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$369,458</u>

PLAQUEMINES PARISH SCHOOL BOARD
 SUPPLEMENTARY INFORMATION
 SCHOOL ACTIVITY FUNDS
 SCHEDULE OF CHANGES IN FUNDS DUE TO OTHERS
FOR THE YEAR ENDED JUNE 30, 1999

<u>SCHOOL</u>	<u>BALANCE</u> <u>JULY 1, 1998</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1999</u>
Belle Chasse High School	\$ 102,301	\$ 404,860	\$ 383,452	\$ 123,709
Belle Chasse Middle School	31,327	153,210	154,911	29,626
Belle Chasse Primary School	52,174	242,929	228,674	66,429
Buras High School	86,176	290,195	309,371	67,000
Buras Middle School	15,006	69,834	71,041	13,799
Port Sulphur High School	27,447	141,870	145,108	24,209
Phoenix High School	6,884	36,773	40,072	3,585
Boothville-Venice High School	<u>38,427</u>	<u>181,593</u>	<u>178,919</u>	<u>41,101</u>
TOTALS	\$ <u>359,742</u>	\$ <u>1,521,264</u>	\$ <u>1,511,548</u>	\$ <u>369,458</u>

PLAQUEMINES PARISH SCHOOL BOARD
SUPPLEMENTARY INFORMATION
SCHOOL ACTIVITY AGENCY FUNDS
SCHEDULE OF CHANGES IN FUNDS DUE TO OTHERS
FOR THE YEAR ENDED JUNE 30, 1999

Deposit balance at beginning of year	\$ 359,742
Additions	1,521,264
Deductions	<u>(1,511,548)</u>
DEPOSIT BALANCE AT END OF YEAR	<u>\$ 369,458</u>

PLAQUEMINES PARISH SCHOOL BOARD
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 1999

<u>BOARD MEMBER</u>	<u>AMOUNT</u>
Lawrence Rousselle (President 1/99- 6/99)	\$10,200
Carlton LaFrance (7/98-12/98)	4,800
Shawn Reppel (7/98 – 5/99)	8,800
Lisa Cross	9,600
Sharon Branan	9,600
Paul Lemaire	9,600
Helen Barrois	9,600
Bobby Benefield	9,600
William Mertz (President 7/98-12/98)	5,400
Dallas Picou (6/99)	800
Betty Dinette (1/99-6/99)	4,800
Anthony Duplessis (1/99-6/99)	<u>4,800</u>
TOTAL	<u>\$87,600</u>

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to the school board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The compensation of the school board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the school board members have elected the monthly payment method of compensation. Under this method, each member of the school board receives \$800 per month and the president receives \$900 per month for performing the duties of this office.

PLAQUEMINES PARISH SCHOOL BOARD
SUPPLEMENTARY INFORMATION
YEAR 2000 ISSUE
JUNE 30, 1999
(UNAUDITED)

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the school board's operations.

The school board has completed a process of identifying computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the school board's operations. The systems and equipment have been tested and results reviewed to determine that converted systems operate properly. The school board's management believes that computer software and hardware are year 2000 compliant.

Every effort has been made to assure that the school board is year 2000 compliant. However, because of the unprecedented nature of the year 2000 issue, its effect and the success of related efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that parties with whom the school board does business will be year 2000 ready.

PLAQUEMINES PARISH SCHOOL BOARD
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 1999

November 30, 1999

Plaquemines Parish School Board
Belle Chasse, Louisiana

We have audited the financial statements of the Plaquemines Parish School Board, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 30, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the school board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 99-1. We also noted an immaterial instance of noncompliance that we have reported to management in a separate letter dated November 30, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the school board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the school board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe item 99-1 described above is a material weakness. We also noted one other matter involving the internal control over financial reporting that we have reported to management in a separate letter dated November 30, 1999.

This report is intended for the information and use of the school board, its management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these intended parties.

Duglartier, Hapman, Hogan & Maher LLP

PLAQUEMINES PARISH SCHOOL BOARD
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
FOR THE YEAR ENDED JUNE 30, 1999

November 30, 1999

Plaquemines Parish School Board
Belle Chasse, Louisiana

Compliance

We have audited the compliance of Plaquemines Parish School Board, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. The school board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the school board's management. Our responsibility is to express an opinion on the school board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the school board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the school board's compliance with those requirements.

In our opinion, the school board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of the school board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the school board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the school board's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe item 99-1 described above is a material weakness.

This report is intended for the information and use of the school board, its management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these intended parties.

Dyplante, Hupmann, Hogan & Maher LLP

PLAQUEMINES PARISH SCHOOL BOARD
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1999

MAJOR FEDERAL AWARDS

<u>Federal CFDA Number</u>		<u>Expenditures</u>
------------------------------------	--	---------------------

Passed through the State of Louisiana:

Department of Agriculture

Cluster Programs:

10.555	National School Lunch Program	\$ 762,416
10.553	National School Breakfast Program	<u>229,959</u>
	Total Department of Agriculture	<u>992,375</u>

Department of Education

84.010	Educationally Deprived Children	1,110,714
84.009	Education of the Handicapped	<u>317,110</u>
	Total Department of Education	<u>1,427,824</u>
	Total Major Federal Awards Passed Through the State of Louisiana	2,420,199

Received directly from the federal government:

Department of Health and Human Services

93.600	Head Start Program	<u>364,091</u>
	TOTAL MAJOR PROGRAM EXPENDITURES	<u>2,784,290</u>

NONMAJOR FEDERAL AWARDS

Received directly from the federal government:

Department of Agriculture

84.041	School Assistance in Federally Affected Areas: Maintenance and Operation	\$ <u>60,628</u>
	Total Nonmajor Federal Awards Received Directly from the Federal Government	<u>60,628</u>

PLAQUEMINES PARISH SCHOOL BOARD
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1999

(Continued)

NONMAJOR FEDERAL AWARDS

<u>Federal CFDA Number</u>		<u>Expenditures</u>
<u>Passed through the State of Louisiana:</u>		
<u>Department of Agriculture</u>		
10.550	Food Distribution	\$ <u>105,037</u>
<u>Department of Health and Human Services</u>		
93.667	Early Childhood and Starting Point	<u>123,796</u>
<u>Department of Education</u>		
84.002	Adult Education	19,446
84.011	Migrant Education	35,601
84.048	Vocational Education	50,611
84.151	Improving School Programs- Block Grant	32,227
84.164	Promote Professional Growth of Teachers	32,551
84.186	Drug Abuse Education and Presentation Programs in Schools	34,424
84.278E	School to Work	95,581
84.278E	Technology Preparation	5,000
84.318	Technology Literacy Challenge	30,311
86.267A	Learn Program	<u>91,826</u>
	Total Department of Education	<u>427,578</u>
<u>Department of Social Services</u>		
93.656	Family Act	<u>1,360</u>
	Total Nonmajor Federal Awards Passed Through the State of Louisiana	<u>657,771</u>
	TOTAL NONMAJOR PROGRAM EXPENDITURES	<u>718,399</u>
	TOTAL PROGRAM EXPENDITURES	<u>\$3,502,689</u>

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Schedule of Expenditures of Federal Awards of the Plaquemines Parish School Board has been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Expenditures are recognized when incurred.

2. DETERMINATION OF TYPE A AND B PROGRAMS:

Federal awards programs are classified as either Type A or Type B programs. For the period ending June 30, 1999, Type A programs consist of the federal programs that expended over \$300,000 and Type B programs are the programs that expended under \$300,000.

PLAQUEMINES PARISH SCHOOL BOARD
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1999

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Plaquemines Parish School Board for the year ended June 30, 1999 was qualified because the school board did not include all assets in the fixed asset inventory.
2. One reportable condition in internal control was disclosed by the audit of the financial statements of Plaquemines Parish School Board and the condition is a material weakness.
3. The audit disclosed an instance of noncompliance which is material to the financial statements of Plaquemines Parish School Board.
4. One reportable condition in internal control over major programs was disclosed by the audit of the financial statements of Plaquemines Parish School Board and the condition is a material weakness.
5. An unqualified opinion was issued on compliance for major programs of Plaquemines Parish School Board for the year ended June 30, 1999.
6. The audit disclosed one finding which is required to be reported by OMB Circular A-133.
7. Plaquemines Parish School Board had five major programs as follows:

	<u>Expenditures</u>
Cluster programs:	
National School Lunch Program	\$ 762,416
National School Breakfast Program	229,959
Educationally Deprived Children	1,110,714
Headstart Program	364,091
Education of the Handicapped	<u>317,110</u>
	<u>\$2,784,290</u>

8. Type A programs are those programs with Federal awards expended during the year ended June 30, 1999 exceeding \$300,000.
9. Plaquemines Parish School Board did not qualify as a low-risk auditee.

PLAQUEMINES PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1999

Findings Required To Be Reported Under Generally Accepted Governmental Auditing Standards:

FIXED ASSETS: (99-1)

Louisiana Revised Statute 24:515 (B) requires every public entity to maintain records of all fixed assets purchased or otherwise acquired for which the entity is accountable, and states that the records shall include information as to the acquisition date, cost, disposition, purpose of disposition, and recipients of disposed assets. The school board took a physical inventory of its fixed assets as of June 30, 1999, but a number of assets were not included in the inventory. The omitted assets were miscellaneous items at various locations and the land transferred in 1966 to the Parish Government, which was later returned to the school board after the courts declared the transfer null and void.

During the fiscal year ended June 30, 1999, the school board hired a fixed asset coordinator. The coordinator established policies and procedures for fixed assets, and also coordinated the tagging and the inventory of fixed assets and maintained records of the assets. The system established by the coordinator contains effective controls for the fixed assets system of the school board, however, it appears that all of the controls were not followed when taking the inventory at the various locations. Also, the school board is working with the Parish Government to obtain the value of the above-noted land in order to properly record it in the fixed asset inventory.

The above condition is a material weakness in internal control and material noncompliance as required to be reported under generally accepted government auditing standards.

Findings and Questioned Costs For Federal Awards

FIXED ASSETS: (99-1)

Louisiana Revised Statute 24:515 (B) requires every public entity to maintain records of all fixed assets purchased or otherwise acquired for which the entity is accountable, and states that the records shall include information as to the acquisition date, cost, disposition, purpose of disposition, and recipients of disposed assets. The school board took a physical inventory of its fixed assets as of June 30, 1999, but a number of assets were not included in the inventory. The omitted assets were miscellaneous items at various locations and the land transferred in 1966 to the Parish Government, which was later returned to the school board after the courts declared the transfer null and void.

During the fiscal year ended June 30, 1999, the school board hired a fixed asset coordinator. The coordinator established policies and procedures for fixed assets, and also coordinated the tagging and the inventory of fixed assets and maintained records of the assets. The system established by the coordinator contains effective controls for the fixed assets system of the school board, however, it appears that all of the controls were not followed when taking the inventory at the various locations. Also, the school board is working with the Parish Government to obtain the value of the above-noted land in order to properly record it in the fixed asset inventory.

The above condition is a material weakness in internal control as required to be reported by OMB Circular A-133.

PLAQUEMINES PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1999

Findings Required To Be Reported Under Generally Accepted Governmental Auditing Standards:

FIXED ASSETS: (98-1)

Louisiana Revised Statute 24:515 (B) requires every public entity to maintain records of all fixed assets purchased or otherwise acquired for which the entity is accountable, and states that the records shall include information as to the acquisition date, cost, disposition, purpose of disposition, and recipients of disposed assets. The school board in the prior fiscal year took a complete physical inventory and updated its general ledger to agree to the physical inventory. However, the school board has not correctly recorded additions and deletions to its fixed assets inventory after the physical inventory date.

The school board has a system to properly record additions and deletions to its fixed asset listing. However, the school board has not implemented all phases of the system. We recommended that the school board implement the system to record all additions and deletions to its fixed assets listing and to reconcile its fixed assets records to the general ledger to ensure proper reporting in the school board's financial statements.

The above condition was a material weakness in internal control and material noncompliance as required to be reported under generally accepted government auditing standards.

During the fiscal year ended June 30, 1999, the school board hired a fixed asset coordinator. The coordinator established policies and procedures for fixed assets, and also coordinated the tagging and the inventory of fixed assets and maintained records of the assets. The system established by the coordinator contains effective controls for the fixed assets system of the school board, however, it appears that all of the controls were not followed when taking the inventory at the various locations. Also, the school board is working with the Parish Government to obtain the value of the land in order to properly record it in the fixed asset inventory.

This situation has been reported in the Schedule of Findings and Questioned Costs for the year ended June 30, 1999.

Findings and Questioned Costs For Federal Awards

FIXED ASSETS: (98-1)

Louisiana Revised Statute 24:515 (B) requires every public entity to maintain records of all fixed assets purchased or otherwise acquired for which the entity is accountable, and states that the records shall include information as to the acquisition date, cost, disposition, purpose of disposition, and recipients of disposed assets. The school board in the prior fiscal year took a complete physical inventory and updated its general ledger to agree to the physical inventory. However, the school board has not correctly recorded additions and deletions to its fixed assets inventory after the physical inventory date.

PLAQUEMINES PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1999

Findings and Questioned Costs For Federal Awards (Continued)

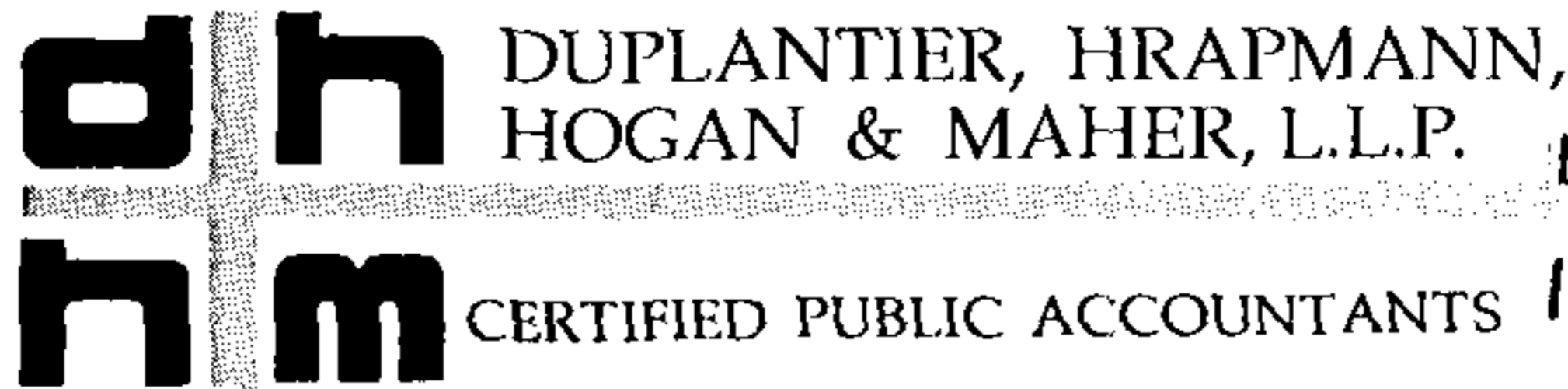
FIXED ASSETS: (98-1) (Continued)

The school board has a system to properly record additions and deletions to its fixed asset listing. However, the school board has not implemented all phases of the system. We recommended that the school board implement the system to record all fixed assets records and deletions to its fixed assets listing and to reconcile its fixed assets record to the general ledger to ensure proper reporting in the school board's financial statements.

The above condition was a material weakness in internal control, as required to be reported by OMB Circular A-133.

During the fiscal year ended June 30, 1999, the school board hired a fixed asset coordinator. The coordinator established policies and procedures for fixed assets, and also coordinated the tagging and the inventory of fixed assets and maintained records of the assets. The system established by the coordinator contains effective controls for the fixed assets system of the school board, however, it appears that all of the controls were not followed when taking the inventory at the various locations. Also, the school board is working with the Parish Government to obtain the value of the land in order to properly record it in the fixed asset inventory.

This situation has been reported in the Schedule of Findings and Questioned Costs for the year ended June 30, 1999.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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1999 DEC 28 AM 10:58

A. J. DUPLANTIER, JR., C.P.A.
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

1340 Poydras St., Suite 2000 • New Orleans, LA 70112
(504) 586-8866

FAX (504) 525-5888

cpa@dhhmcpa.com

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PUBLIC INSURANCE CLAIM, THE
ROUGE OFFICE OF THE LEGISLATIVE AUDITOR
AND, WHERE APPROPRIATE, AT THE
OFFICE OF THE PARISH CLERK OF COURT

November 30, 1999

Release Date _____

MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
DAVID A. BURGARD, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
DAVID J. MUMFREY, C.P.A.
GUY L. DUPLANTIER, C.P.A.
BONNIE J. McAFEE, C.P.A.

MICHELLE H. CUNNINGHAM, C.P.A.
KENNETH J. BROOKS, C.P.A., ASSOCIATE

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA. C.P.A.'S

Plaquemines Parish School Board
557 F. Edward Hebert Blvd.
Belle Chasse, LA 70037

In planning and performing our audit of the financial statements of the Plaquemines Parish School Board for the year ended June 30, 1999 we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, we noted a certain matter involving the internal control and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect Plaquemines Parish School Board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable condition that we believe to be a material weakness:

GENERAL FIXED ASSETS: (99-01)

- a) Louisiana Revised Statute 24.515 (B) requires every public entity to maintain records of all fixed assets purchased or otherwise acquired for which the entity is accountable, and states that the records shall include information as to the acquisition date, cost, disposition, purpose of disposition, and recipients of disposed assets. The school board took a physical inventory of its fixed assets as of June 30, 1999, but some assets were not included in the inventory. The omitted assets were miscellaneous items at various locations and the land transferred in 1966 to the Parish Government, which was later returned to the school board after the courts declared the transfer null and void.

During the fiscal year ended June 30, 1999, the school board hired a fixed asset coordinator. The coordinator established policies and procedures for fixed assets, and also coordinated the tagging and the inventory of fixed assets and maintained records of the assets. The system established by the coordinator contains effective controls for the fixed assets system of the school board, however, it appears that all of the controls were not followed when taking the inventory at the various locations. Also, the school board is working with the Parish Government to obtain the value of the above-noted land in order to properly record it in the fixed asset inventory.

We recommend that the fixed asset coordinator continue working with the fixed asset system as established and concentrate efforts on recording omitted assets in the fixed assets inventory.

- b) It was noted during audit testing that some assets at various locations were not tagged. These assets were able to be traced to the fixed assets inventory using the serial number or other identifying information.

We recommend that tags be attached to all movable fixed assets of the school board

- c) The school board's fixed asset policy requires the capitalization of assets with a cost of \$500 or greater. It was noted during testing of fixed assets that some assets purchased that were attached to buildings were not being capitalized.

We recommend that all fixed assets with a cost of \$500 or greater be capitalized. If the newly-acquired asset replaces an asset that was attached to a building, we recommend that a disposition to the building also be recorded. The amount of the disposition should be estimated based on the cost of the new asset.

We also noted another matter involving internal control:

SCHOOL ACTIVITY FUNDS: (99-02)

- a) It was noted that there is generally a lack of segregation of duties in the handling of receipts of School Activity Funds. Deposits are prepared, recorded and made by one individual who also reconciles the bank statements. This is considered a weakness in internal control.

We recommend segregating the cash receipts processing by having other office personnel receive all monies from activity sponsors and prepare the deposit slips. The school secretary should make the deposits and record the deposits and reconcile the bank statements. The school principal should review the bank reconciliations monthly.

- b) During audit testing, it was noted that one school transferred funds from one student activity to another without preparing the necessary paperwork and obtaining the authorization of the school's principal.

We recommend that all transfers of funds between school activities within a school be properly documented and authorized. We also recommend that the information be sent to the school activity fund accountant for proper recording of the transfer.

- c) It was also noted as of June 30, 1999, that the athletic department's fund balance within the school activity fund of one school was negative. The school board's policy prohibits *negative fund balances within school activity funds, with the exception of temporary timing differences.*

It is recommended that all schools adhere to the school board's policies for fund balances of school activity funds and that requests for funds be denied for activities with insufficient funds available.

We also noted an instance of noncompliance with laws and regulations as follows:

PUBLIC BID LAW: (99-03)

LRS 38:2212 requires that purchases of materials and supplies of \$15,000 or greater be advertised for bids. During audit testing, it was noted in several instances that purchases of materials and supplies of greater than \$15,000 were not advertised for bids.

We recommend that the school board follow the provisions of the public bid law in the future.

STATUS OF PRIOR YEAR FINDINGS:

Following is the status of items reported in the management comment letter of June 30, 1998.

FIXED ASSETS: (98-01)

Louisiana Revised Statute 24:515 (B) requires every public entity to maintain records of all fixed assets purchased or otherwise acquired for which the entity is accountable, and states that the records shall include information as to the acquisition date, cost, disposition, purpose of disposition, and recipients of disposed assets. The school board maintained a fixed assets inventory but has not correctly recorded additions and deletions to the inventory nor reconciled it to the general ledger.

During the year ended June 30, 1999, the school board hired a fixed assets coordinator who established policies and procedures for fixed assets, and also coordinated the tagging and the inventory of fixed assets and maintained records of the assets. However, some of the controls of the system were not followed by those assisting in the inventory, as discussed in the current year comments.

SCHOOL ACTIVITY FUNDS: (98-02)

During audit testing of school activity funds in the prior year, the following were noted:

- a) There was generally a lack of segregation of duties in the handling of School Activity Funds. Deposits were prepared, recorded and made by one individual who also reconciles the bank statements. There was the possibility of misappropriation of funds.
- b) During prior year audit testing of the School Activity Funds, it was noted that one school did not follow the deposit guidelines established by Plaquemines Parish School Board relating to student activities. Deposits should be made when cash on hand exceeds \$100.

The lack of segregation still exists with deposits, as noted in the current year comments. Based on audit testing of the School Activity Funds, it appears all schools complied with deposit guidelines established by the school board.

SALES TAX BONDS SINKING FUND REQUIREMENT: (98-03)

During the prior year, the school board issued new Sales Tax Bonds and advance refunded some existing Sales Tax Bonds. Accordingly, the sinking fund requirements for Sales Tax Bonds increased, commencing March 1998. However, the school board did not make the increased sinking fund payments. After year-end, school board personnel discovered the shortage and made payments to bring the Sinking Fund to the proper funding level.

The Sinking Fund requirements of the outstanding bonds were made properly during the year ended June 30, 1999.

ASSETS ACQUIRED WITH FEDERAL FUNDS: (98-04)

Assets acquired with federal funds are required to be separately identified on the fixed assets inventory. In the prior year, the school board had not correctly recorded additions and deletions to the fixed asset inventory, nor reconciled it to the general ledger. Accordingly, we were unable to determine if fixed assets acquired with federal funds were properly accounted for on the inventory.

Beginning with the year ended June 30, 1999, the assets acquired with federal funds that are recorded on the fixed asset inventory are coded as such.

SALES TAX COLLECTION AGREEMENT: (98-05)

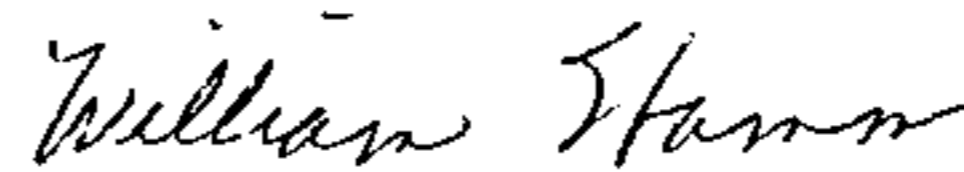
The school board's sales and use tax levies are collected by the sales tax department of the Plaquemines Parish Government. The school board's agreement with the Plaquemines Parish Government for the tax collection was made in 1978 and has not been updated since that time.

The school board has prepared a draft of a new agreement and is awaiting action from the Parish Government.

This report is intended for the information and use of the school board, its management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these intended parties.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN, & MAHER, L.L.P.



William G. Stamm, CPA
Partner

WGS/ct

Plaquemines Parish School Board

Belle Chasse Office

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December 15, 1999

Mr. Daniel G. Kyle, Secretary
Legislative Audit Advisory Council
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

P.O. Box 69
557 E. Edward Hebert Blvd.
Belle Chasse, LA 70037
Phone (504) 392-4970
FAX (504) 392-4973

Dear Secretary Kyle:

Following is the Corrective Action Plan for Audit Findings 99-1 through 99-3, reported in our audit report and management letter for the year ended June 30, 1999:

JAMES C. HOYLE
Superintendent

MEMBERS:

LISA S. CROSS
District 1

LAWRENCE J. ROUSSELLE
District 2

DALLAS A. PICOU
District 3

SHARON BRANAN
District 4

ANTHONY J. DUPLESSIS, JR.
District 5

PAUL W. LEMAIRE, JR.
District 6

HELEN E. BARROIS
District 7

BOBBY L. BENEFIELD
District 8

BETTY A. DINETTE
District 9

99-1

Fixed Assets – The fixed asset coordinator will conduct a physical inventory on each location during the year to make sure all fixed assets are accounted for in the inventory. All locations will be also notified to adhere to the fixed assets policy and procedures. The fixed asset coordinator is tagging all fixed assets. If tags cannot be attached to certain items, the tags are kept in a file by the fixed asset coordinator. We will revise the fixed asset policy and procedure to capitalize fixed assets with a cost of \$500 or more that are a component of the building as recommended in the audit report.

99-2

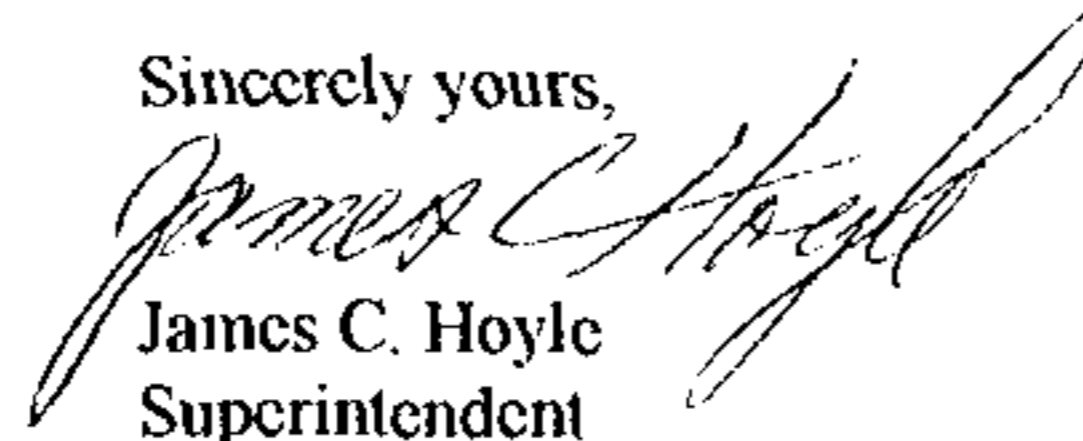
School Activity Funds – Sometimes it is not feasible to segregate duties in particular schools due to lack of personnel. Schools will be monitored more closely to make sure proper documentation is prepared and in compliance with the board's policies for fund balances of school activity funds.

99-3

Public Bid Law – The school board hired a purchasing agent and is working towards the possibility of centralized purchasing. The purchasing agent will coordinate all purchasing for the school system for the best possible lowest cost and highest quality of merchandise and services, and in compliance with the public bid law.

Should you require further information, please do not hesitate to contact me.

Sincerely yours,


James C. Hoyle
Superintendent

Cc: All Board Members
Duplantier, Hrapman, Hogan & Maher